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Assembly California Legislature



MIKE FEUER
MAJORITY POLICY LEADER
ASSEMBLYMEMBER, FORTY-SECOND DISTRICT

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YOUTH VIOLENCE PREVENTION

August 9, 2010

Ron Diedrich
Acting Director, Department of General Services
Ziggurat Building
707 Third Street
West Sacramento, CA 95605-2811

Dear Mr. Diedrich:

As a long-time advocate for small businesses and co-chair of an Assembly working group striving to strengthen California small businesses, I am writing to express my concern and seek clarification relative to the Department of General Services (DGS) policy of "off ramping".

I have been contacted by a certified small business owner in my district whose company sold toner and remanufactured toner cartridges to State agencies. The constituent expressed alarm that the current office supply contract let by the DGS was now being replaced by three separate contracts that preclude "off ramping"—on which a certified small business cannot bid directly—because the contracts contain required thresholds of sales that exceed the definition of a small business.

It is my understanding that "off ramping" in State contracts allows certified small and veteran owned business, who are not part of the contract, to sell products to the State if they can do so at a lower cost. As this policy conserves scarce taxpayer dollars, provides an economic benefit to California based companies, and effectuates the often-stated policy goal of encouraging small businesses to contract with the State, I am skeptical of the reasoning behind precluding or constraining the number of small businesses that have access to these contracts. In addition, while my office has been notified by DGS staff that the contract specifications are in the best financial and policy interest of the State, I do not believe there is any analysis by DGS to justify that conclusion. At the very least, I would urge DGS to have transparent processes and provide certified small businesses with a coherent analysis on why they are being excluded from fulfilling a particular contract individually, both in this instance and more generally.

As a matter of State policy, DGS should focus on bringing more small businesses into the State contracting process. Small businesses are one of the main economic engines of California's economy, and ensuring they do not face undue burdens contracting with the State is critical. I am requesting information on the process that led to the most recent decision to prohibit "off ramping" in the contracts in question as well as general information on DGS's approach as it relates to small businesses. I would welcome the opportunity to meet with you directly to discuss my concerns.

Thank you,

A handwritten signature in blue ink, appearing to read "Mike Feuer".

Mike Feuer
Assemblymember, 42nd District

The 42nd Assembly District includes all or parts of the city of Los Angeles, neighborhoods of Sherman Oaks, Studio City, North Hollywood, Valley Village, Valley Glen, Toluca Lake, Universal City, Griffith Park, West Los Angeles, Brentwood, Bel Air, Holmby Hills, Beverly Glen, Westwood, Century City, Hollywood, Fairfax, Hancock Park, Los Feliz, and the cities of Beverly Hills and West Hollywood.

